

Message Text

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C O N F I D E N T I A L GENOA 0571

E.O. 11652: GDS
TAGS: EINV, BBAK, ELAB, IT
SUBJ: TORRINGTON DISPUTE
REF: A. ROME 12999

B. STATE 186501 AND PREVIOUS

1. SUMMARY: CONGEN OFFICERS MET WITH ING. UMBERTO CALVI, MANAGING DIRECTOR OF TORRINGTON'S GENOA PLANT ON SEPTEMBER 9 TO REVIEW CURRENT STATUS OF PLANT'S LIQUIDATION. CALVI REPORTED THAT TORRINGTON PROVIDED MINISTER DONAT CATTIN WITH A WRITTEN SUMMARY OF ITS POSITION ON SEPTEMBER 3. IN LETTER COMPANY CONFIRMED ITS INTENTION TO LIQUIDATE GENOA FACILITY AND REMOVE NEEDLE MAKING MACHINERY FROM ITALY. COMPANY MAINTAINED THAT UNDER NO CIRCUMSTANCES WOULD IT ACCEPT PROPOSAL FOR RESUMING OPERATIONS IN ITALY OR

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RELINQUISHING ITS MACHINERY. ACCORDING TO CALVI, TORRINGTON CONSIDERS ITS POSITION TO BE IRREVERSIBLE AND NO BENEFITS GAINED FROM METTING WITH GOI IN ROME. SINCE IPO-CIPE BENEFITS FOR TORRINGTON WOKERS EXPIRE ON SEPTEMBER 30, DEADLINE FOR GOI TO FIND A SOLUTION IS DRAWING NEAR. LOCALLY, THE METAL WOKERS UNION IS CALLING FOR A GENERAL STRIKE ON SEPTEMBER 24 TO DEMOSTRATE FOR TORRINGTON WOKERS AND TO URGE GOVERRMENT TO TAKE ACTION TO REOPEN FACTORY.
CONGEN RECOMMENDS TAHT DEPARTMENT ENKOURAGE TORRINGTON TO REVIEW ITS POSITION AND TO WORK WITH GOI OFFICIALS TO SEEK AN ACCEPTABLE SOLUTION TO PROBLEM. WE VIEW TORRINGTON'S CONTINUING REBUFF TO CONFIDENTIAL

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GOI INVITATION FOR A MEETING AS LIKELY TO HAVE HARMFUL EFFECTS

NOT ONLY ON TORRINGTON'S IMAGE BUT ALSO THAT OF THE PARENT INGERSOLL-RAND ORGANIZATION AND ON OUR OVERALL BILATERAL RELATIONSHIP. THIS WILL BE ESPECIALLY TRUE IF TORRINGTON PROCEEDS WITH PLAN TO REQUEST THE GOI TO ENFORCE COURT ORDER'S FINDING THAT WORKERS' OCCUPATION OF ITS PLANT SITE IS ILLEGAL. END SUMMARY.
2. IN HIS LETTER OF SEPTEMBER 3 TO MINISTER OF INDUSTRY DONAT CATTIN, G. B. VICE PRESIDENT FOR WORLDWIDE NEEDLE OPERATIONS, CONFIRMED TORRINGTON'S INTENTIONS TO LIQUIDATE ITS GENOA OPERATIONS

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AND REMOVE NEEDLE WORKING MACHINERY. TORRINGTON OFFERS LITTLE ROOM FOR GOI TO PROPOSE ALTERNATE SOLUTIONS AS HOWEY CLEARLY STATES THAT UNDER NO CIRCUMSTANCES WILL TORRINGTON REOPEN ITS PLANT OR PERMIT EXISTING MACHINERY TO BE USED IN NEEDLE MANUFACTURING. LIKEWISE TORRINGTON SERVED NOTICE THAT IT WOULD NOT BE INTERESTED IN SERVING AS SALES AGENT SHOULD GOI BE THINKING OF REOPENING PLANT FOR NEEDLE PRODUCTION. HOWEY DID NOTE THAT HIS COMPANY WAS WILLING TO SELL THE PLANT FACILITY AND NON-NEEDLE PRODUCING MACHINERY TO THE GOI OR A PRIVATE FIRM. CALVI SAID THAT TORRINGTON BELIEVES ITS POSITION IS LEGALLY CORRECT AND THAT THE COMPANY SEES NO POSSIBLE BENEFIT IN HAVING A U.S. REPRESENTATIVE ENTER INTO NEGOTIATIONS WITH GOI. CONGEN OFFICER NOTED THAT TORRINGTON'S REBUFF TO DONAT CATTIN'S INVITATIONS FOR MEETINGS WAS NOT HELPFUL IN MAINTAINING AN ATMOSPHERE CONDUCIVE TO SOLVING THIS PROBLEM.
3. GENOA NEWSPAPER IL COLO XIX OF SEPTEMBER 11 SUGGESTS THAT THE MINISTRY OF INDUSTRY MAY HAVE ALREADY COME TO THE CONCLUSION THAT TORRINGTON IS NOT WORTH SAVING ON ECONOMIC GROUNDS. THE PAPER CITES A MINISTRY OF INDUSTRY SPOKESMAN AS HAVING ADVISED UNION OFFICIALS OF THE UNECONOMIC OF RESUMING PRODUCTION AND

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SUGGESTED THAT THE GOI WAS HAVING DIFFICULTY IN FINDING A BUYER OR ARRANGING ALTERNATIVE USES FOR TORRINGTON FACILITY.
4. LOCAL POLITICAL AND UNION LEADERS ARE BECOMING MORE VOCAL IN URGING GOI TO FIND A SOLUTION TO PROBLEM. BENEFITS TO
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NEARLY 500 TORRINGTON WORKERS UNDER IPO-CIPE SCHEME EXPIRE ON SEPTEMBER 30 AND GOI IS REPORTEDLY FINDING IT DIFFICULT TO ARRANGE ALTERNATE EMPLOYMENT FOR THEM. (CALVI CLAIMS THAT 100 OF TORRINGTON'S BEEN WORKERS HAVE ALREADY FOUND ALTERNATE EMPLOYMENT. ONLY THE HAND CORE "AGITATORS" AND WOMEN HAVE NOT FOUND NEW JOBS.) RAIN CURTAILED A CGIL-SPONSORED SYMPATHY DEMONSTRATION IN SUPPORT OF TORRINGTON AND OTHER OCCUPIED PLANTS IN GENOA AREA ON SEPTEMBER 10. ADDITIONAL DEMONSTRATIONS

CAN BE EXPECTED AS THE SEPTEMBER 30 DEADLINE APPROACHES WITH NO SOLUTION AT HAND. PROVINCIAL METAL WORKERS (FLM) ARE CONTEMPLATING CALLING A GENERAL STRIKE ON SEPTEMBER 24 AND A JOINT GOVERNMENT-LABOR DELAGATION IS SCHEDULED TO MEET WITH MINISTER OF LABOR AND MINISTER OF INDUSTRY THIS WEEK.

5. CALVI HINTED THAT TORRINGTON MAY SOON REQUEST THE GOI TO ENFORCE THE COURT RULING ORDERING THE WORKERS TO ABANDON THE PLANT SITE. HE CONCEDED TROOPS MAY BE NECESSARY TO MOVE THE

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WOKERS OUT. CONGEN OFFICER URGED CALVI TO FIRST DISCUSS THE OPTIONS WITH THE GOI BEFORE SEEKING ENFORCEMENT OF THE COURT RULING TO PREVENT OR ALLEVIATE POSSIBLE UNFORTUNATE INCIDENTS. CALVI SAID THE TORRINGTON'S MANAGEMENT MAY APPROACH THE DEPARTMENT WITH A REQUEST FOR ASSISTANCE IN PRESSING THE GOI INTO TAKING ACTION.

6. COMMENT:

FROM THIS Vantage POINT, IT APPEARS THAT TORRINGTON'S CONTINUED REFUSAL TO ENTER INTO SERIOUS NEGOTIATIONS WITH DONAT CATTIN AND HIS REPRESENTATIVES IS JEOPARDIZING THE LIKELIHOOD THAT A SOLUTION CAN BE FOUND SUITABLE TO ALL PARTIES. THE GOI, THE UNIONS, AND THE LEFTIST-DOMINATED PRESS WILL UNDOUBTEDLY EXPLOIT TORRINGTON'S UNWILLINGNESS TO MEET WITH THE GOVERNMENT'S REPRESENTATIVES FOR THEIR OWN PAROCHIAL ENDS THUS MARRING NOT ONLY TORRINGTON'S IMAGE BUT ALSO THAT OF THE INGERSOLL-RAND ORGANIZATION IN ITALY.

7. RECOMMENDED ACTION:

DEPARTMENT SHOULD AGAIN ENCOURAGE TORRINGTON'S MANAGEMENT TO MEET WITH DONAT CATTIN TO REVIEW GOI PLANS FOR RESOLVING THE TORRINGTON PROBLEM. DEPARTMENT MAY WISH TO POINT OUT THAT COMPANY'S INFLEXIBLE STAND UNDERMINES OUR EFFORTS TO PLAY A CONFIDENTIAL

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"GOOD OFFICERS" ROLE IN ENCOURAGING THE GOI TO FIND A SOLUTION ACCEPTABLE TO ALL PARTIES AND ALSO COMES AT A DELICATE TIME IN THE ANDREOTTI GOVERNMENT'S ATTEMPT TO ESTABLISH LABOR SUPPORT FOR ITS EMERGENCY ECONOMIC PROGRAM. DI SCIULLO

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